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PRESS RELEASE

Up to 4 million small businesses have no plans for net zero transition

- **Just half of small businesses understand the meaning of ‘net zero’**
- **Biggest barriers for reducing carbon footprints are cost and lack of information**
- **Only a sixth (15%) understand how to calculate their carbon footprint**

New research from Lloyds Bank Business found that over three-quarters (77%) of small businesses do not have – or are unsure of – their business strategy to reduce their carbon footprint in the next three years.

With over 5.5 million small businesses in the UK* this could equate to more than 4.2 million** having no plan on how they will contribute to a more sustainable future.

Small business owners and managers said a lack of knowledge (34%), finance (25%) and time (25%) were the main blockers to having a defined sustainability strategy.

The research also found that up to 2.5 million** business owners do not know what is meant by ‘net zero’. The definition of achieving a balance between the carbon emitted into the atmosphere and the carbon removed from it, was only known by half (47%) of respondents.

Just one in 10 (12%) small businesses know their carbon footprint and only a sixth (15%) know how to calculate it by converting the expected greenhouse gasses generated through activities, such as using energy to heat office space or using fuel to transport goods.

Eight in ten (81%) business owners recognise the importance of being more sustainable, with 68% also aware that the UK Government has set targets to reach net zero. Although, the research showed 40% do not think there is enough support available to realise these ‘green’ ambitions.

Adam Rainey, Commercial Director of Business Banking at Lloyds Bank said: *“While our nation’s small businesses recognise the importance of tackling climate change, there are real issues with understanding how to get there – including calculating carbon emissions and even the meaning of net zero.*

“Fortunately, there’s a whole host of support available to help businesses make their first steps in becoming greener, from getting started with electric vehicles, practical guides to help reach net zero and tools to calculate potential energy savings at business premises. We know it can seem daunting but some really simple things, such as reducing travel and recycling, are also great places to start.”

For businesses with a premises, Lloyds Bank’s [Green Buildings Tool](#) is a free, interactive digital tool which allows businesses to calculate buildings’ energy efficiency and any potential savings that sustainable changes could produce. Business owners can also access information about [financing electric vehicles](#) to help reduce their personal carbon footprint.



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Lloyds Bank [Sustainability Hub](#) has a wealth of hints and tips, including a [Now to Net Zero](#) five-step guide, to support business owners on getting started on a cleaner journey through to how to measure, mobilise and monitor progress.

Barriers

Lloyds Bank Business' research highlighted that these business owners struggle with the costs involved (44%), followed by lack of information (32%) and competing priorities (28%).

Barriers to going green	% small business owners who said this was the main barrier
Cost	44%
Lack of information	32%
Competing priorities	28%
No demand from customers to do so	26%
No barriers	17%
Other/Don't know	15%

Carbon conundrum

Younger business owners – those under the age of 35 – are most likely to be concerned about their carbon footprint (50%) and a third (34%) know how to calculate it, 19 percentage points above small business owners as a whole. For older business owners – those aged over 55 – just under a third (29%) admit to having carbon concerns and are the age group least likely to know how to calculate their carbon footprint (11%).

Businesses are also unconvinced that the UK Government's climate targets will make the country greener anytime soon, with two thirds (64%) doubting they will see a difference within their lifetime. The reservation that change will happen, alongside resistance in taking steps to make it happen, appear to be preventing business owners from shifting to a net-zero mindset.

The government has support for business in the journey to net zero. In May 2021, they launched the [UK - SME Climate hub \(businessclimatehub.org\)](#). Businesses can sign up for free and get regular information to support the journey to green.

Ends

Notes to editors

This report presents findings from a survey conducted amongst small and medium sized enterprises (SMEs) defined as having less than 250 employees. The study was commissioned by Lloyds Bank with fieldwork conducted by YouGov. The survey was conducted online and completed by completed by owner or decision makers within small businesses. Fieldwork was conducted between 28th March - 5th April 2022 and 1,059 interviews were completed.



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Sources:

- *UK Gov – Business Population statistics [Business population estimates for the UK and regions 2021: statistical release \(HTML\) - GOV.UK \(www.gov.uk\)](#)
- **Using the YouGov research against the latest UK Gov Business Population stats
- UK Gov- Climate targets [UK sets ambitious new climate target ahead of UN Summit - GOV.UK \(www.gov.uk\)](#)
- Office of National Statistics net zero measures [Net zero and the different official measures of the UK's greenhouse gas emissions - Office for National Statistics](#)

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